

The US Department of Justice is considering an \$880 million settlement with the nation's largest for-profit hospital chain, HCA. This settlement would resolve eight cases alleging that HCA paid illegal kickbacks to physicians to generate referrals to its hospitals and deliberately misreported its costs to the government.

Rep. Pete Stark noted, "We know that HCA is a record-setting defrauder of the federal government. The company has already paid over \$800 million in civil and criminal fines in recent years. This settlement, if approved, would bring the company's total fines to well over \$1.5 billion."

"My concern," continued Rep. Stark, "is that this proposed settlement may vastly under-represent the level of fraud HCA has actually committed. I have asked the Department of Justice and the Office of the Inspector General at the Department of Health and Human Services to provide me with information about the total overpayments HCA has illegally garnered and the maximum penalties the company is subject to."

"So far, the Administration has refused to make that information available," Stark continued. "As a result, the public has no way of knowing whether the settlement appropriately recovers funds HCA fraudulently obtained, much less whether the company is being appropriately punished for that illegal conduct. I hope the Administration will reconsider and fully disclose these important details about the proposed settlement prior to reaching any final agreement."

"Senator Frist has close family and financial ties to HCA," concluded Rep. Stark. "I find it remarkable that at the same time as the Republican party is coalescing around Senator Frist's candidacy for Senate Majority Leader, the Administration is poised to strike a potentially unjustifiable bargain that would benefit his family's company at the expense of American taxpayers."